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IN THE

Supreme Court of the United States

OCTOBER TERM, 1946

NO. 733

INTERSTATE NATURAL GAS COMPANY, INCORPORATED,

Petitioner,

vs.

FEDERAL POWER COMMISSION, LOUISIANA PUBLIC SERVICE COMMISSION, CITY OF NEW ORLEANS, LOUISIANA, CITY OF BATON ROUGE, LOUISIANA,

Respondents.

BRIEF FOR THE STATE OF TEXAS AND THE RAILROAD COMMISSION OF TEXAS AS AMICI CURIAE IN SUPPORT OF THE PETITION FOR CERTIORARI

PRICE DANIEL
Attorney General of Texas
JAMES D. SMULLEN
Assistant Attorney General
Attorneys for the State of Texas and the Railroad Commission of Texas,
Amici Curiae.

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To The Supreme Court Of The United States:

Pursuant to Rule 27, the Attorney General of Texas respectfully presents this brief for the State of Texas and its Railroad Commission as *amici curiae* in support of the petition for certiorari in this cause.

OPINION OF THE COURT BELOW

The opinion of the Circuit Court of Appeals is reported, 156 F. 2d 949.

INTEREST OF THE STATE OF TEXAS AND THE RAILROAD COMMISSION OF TEXAS

This Honorable Court full well knows the deep and abiding interest of the State of Texas in the conservation of its natural resources (*Railroad Commission* v. *Rowan and Nichols Oil Company*, 310 U. S. 573, 84 L. Ed. 1368, 60 S. Ct. 1021); and in the preservation of its right of local self-control over those resources. The importance to this State of its right of local self-control was recognized by this Court in *Sun Oil Company* v. *Burford*, 319 U. S. 315, 322, 87 L. Ed. 1424, 1434, when the Court, speaking through Mr. Justice Black, said:

> "These questions of regulation of the industry by the State administrative agency . . . . clearly involve basic problems of Texas policy . . . ."

By way of implementing its right of local self-control over the oil and gas industry, the state has enacted many laws, most of which appear in Title 102 of its Revised Civil Statutes, 1925, and has vested in an administrative agency, the Railroad Com-

mission of Texas, extensive powers of regulation. *Corzelius* v. *Harrell* (Tex. Sup. Ct. 1945), 186 S. W. 2d 961. The production and gathering of gas are treated at length.

The Attorney General of Texas is therefore deeply concerned when an Act of the Congress is construed in such manner that an agency of the Government may, under color of authority of a constitutional act, assume to interfere with and exercise control over *purely local matters such as the production and gathering of gas.* This power has been vested in a Federal agency by the majority opinion of the 5th Circuit Court of Appeals.

THE FACTS

Petitioner in this case owns 110 producing gas wells and controls 56,555 acres of natural gas lands in the Monroe gas field of Louisiana. It gathers gas from its wells and the wells of others through its gathering system at the end of which a sale of the gas is made to another company in Louisiana in no way affiiliated with Petitioner. The majority opinion of the 5th Circuit Court of Appeals holds that the Federal Power Commission may rightfully, under the Natural Gas Act, control this entirely local production, gathering and sale of gas in Louisiana.

Presumably the same holding would be made as to the sale of gas in Texas by a Texas gatherer, not-

withstanding the express language of the Natural Gas Act that it shall not apply "to the production or gathering of natural gas," and notwithstanding that Texas might undertake to regulate such a sale under the provisions of Title 102 of the Revised Civil Statutes of Texas, 1925, as amended. Pertinent Texas statutes are printed in the appendix to this brief.

SUMMARY OF THE ARGUMENT

If the Attorney General correctly understands the import of the decision of the majority opinion of the Circuit Court of Appeals, he respectfully and sincerely urges that this Court reverse and render the decision. It is submitted that:

(1) The Circuit Court incorrectly interpreted Section 1(b) of the Natural Gas Act as vesting in the Federal Power Commission jurisdiction over the purely local activities of production and gathering of natural gas; and

(2) Such local activities are left by the Constitution of the United States to regulation by the States.

ARGUMENT

The jurisdiction of the Federal Power Commission is set forth in Section 1(b) of the Natural Gas Act (15 U. S. C. A. § 717b) as follows:

"The provisions of this act shall apply to the transportation of natural gas in interstate commerce, to the sale in interstate commerce of natural gas for resale for ultimate public consumption for domestic, commercial, industrial, or any other use, and to natural-gas companies engaged in such transportation or sale, *but shall not apply* to any other transportation or sale of natural gas or *to the local distribution of natural gas or to the facilities used for such distribution or to the production or gathering of natural gas.*" (Emphasis supplied.)

We take it to be the opinion of the majority of the 5th Circuit Court of Appeals that the language that the Act shall not apply to "the production or gathering of gas" means only that the Federal Power Commission should have no jurisdiction over "properties used for production and local distribution or the *activities* of producing and gathering;" and this only in the sense that the Commission could not provide drilling and well spacing regulations as suggested in the *Canadian River Gas case,* 324 U. S. at pps. 602-3.

It is respectfully submitted that when the Congress used the language that the provisions of the Act should apply "to the transportation of natural gas in interstate commerce, and to the sale is interstate commerce of natural gas," it had reference to its own definition of interstate commerce as "commerce between any point in a state and any point outside thereof, or between points within the same State but through any place outside thereof. . . . "

The transportation and sale here involved were wholly performed within the State of Louisiana. Moreover, from Section 1(a) of the Act, it would appear clear that it was the business of "transporting *and* selling" in interstate commerce to be regulated. The transportation activities of Petitioner here under consideration were not interstate in nature but purely local, that of producer and gatherer.

The majority opinion of the 5th Circuit Court of Appeals relies upon the following cases: *Missouri* v. *Kansas Natural Gas Company*, 265 U. S. 298; *Public Utilities Commission* v. *Attleboro Company*, 273 U. S. 83; *Peoples Natural Gas Company* v. *Federal Power Commission*, 127 Fed. 2d 153; and *Colorado Interstate Gas Company* v. *Federal Power Commission*, 324 U. S. 602.

We first respectfully submit that the opinion in the *Kansas Gas Company case*, 265 U. S. 298, is not helpful in the case at bar, nor do the facts there square with the facts here involved. Indeed, some of the language employed in the *Kansas* opinion may be construed to support the view here urged. In that case the Supply Company actually transported gas across state lines for delivery and sale to distributing companies which in turn sold to local consumers.

The Court said:

> "With the delivery of gas to the distributing companies, however, the interstate movement

ends. Its subsequent sale and delivery by these companies to their customers at retail is intrastate business and subject to state regulation. (265 U. S. 308)

". . .

"The business of supplying, on demand, local consumers is a local business, even though the gas be brought from another State and drawn for distribution directly from interstate mains; and this is so whether the local distribution be made by the transporting company or by independent distributing companies. In such case the local interest is paramount, and interference with interstate commerce, if any, indirect and of minor importance." (265 U. S. 309)

In other words, the court limited the interstate nature of the transaction to the actual interstate movement and sale by the Supply Company. When the gas had been delivered to the distributing company, intrastate commerce began.

The case at bar is the identical situation from the producing and gathering end. Gas is produced and gathered by Interstate wholly within Louisiana and sold in Louisiana. Interstate's control over the gas is there ended. It is *then* transported and sold in interstate commerce for resale and distribution in other states. It seems clear to the writers that following the example given in the *Kansas* case, the transaction is intrastate until delivered to the purchasers in Louisiana who actually transport and

sell in interstate commerce. The Natural Gas Act does not by its terms apply to sales of natural gas for resale in interstate commerce; it applies only to the *transportation* of natural gas in interstate commerce, *or* to the sale *in interstate commerce* of natural gas. Congress could easily have made the Act cover *all sales* of natural gas to be resold in interstate commerce, but this was not done.

For like reasons, the opinion of the Court in *Public Utilities Commission* v. *Attleboro Company*, 273 U. S. 83, cited by the majority, is not in point. The opinion in the *Attleboro* case is based upon that in the *Kansas* case. The facts in either case would fall squarely within the Natural Gas Act, being essentially interstate transactions. But the facts in the case at bar are entirely different. In the *Kansas* and *Attleboro* cases *the parties were dealing across state lines;* in the case at bar the transactions at issue are wholly performed within the State of Louisiana.

The next case cited by the majority of the 5th Circuit Court of Appeals is the case of *Peoples Natural Gas Company* v. *Federal Power Commission* (Ct. App., D. C.), 127 Fed. 2d 153. This case, the majority says:

> "Held that the provision that the act did not apply to the production or gathering did not limit the Commission's jurisdiction over such sales."

Contrary to the majority opinion of the Court, the writers of this brief have been unable to find any discussion in the *Peoples* opinion with respect to the production and gathering exception. The facts such as are given are those set forth at page 155 of the opinion and are taken from an allegation or statement in a Federal Power Commission exhibit attached to the pleadings:

> "The testimony and evidence adduced (at a certain hearing) shows, among other things, that Peoples sells natural gas at its Pew compressor station in Clarion County, Pennsylvania, to New York State Natural Gas Corporation, an affiliated company, and that the latter immediately transports said natural gas into the State of New York where it sells the same to others for resale for ultimate public consumption . . . ."

It does not appear from the opinion that the Peoples Company either alleged, proved, or contended that it came under the production and gathering exception and the Court neither quotes nor discusses that feature of the Natural Gas Act.

Finally, the Court relies on certain language contained in the opinion of Mr. Justice Douglas in *Colorado Interstate Gas Company* v. *Federal Power Commission*, 324 U. S. 602-3, 89 L. Ed. 1206, 1223, as follows:

> "That does not mean that the part of Sec. 1(b) which provides that the Act shall not apply

'to the production or gathering of natural gas' is given no meaning. Certainly that provision precludes the Commission from any control over the activity of producing or gathering natural gas. For example, it makes plain that the Commission has no control over the drilling and spacing of wells and the like. It may put other limitations on the Commission. We only decide that it does not preclude the Commission from reflecting the production and gathering facilities of a natural gas company in the rate base and determining the expense incident thereto for the purposes of determining the reasonableness of rates subject to its jurisdiction."

The majority opinion of the Circuit Court of Appeals concludes by this language the Supreme Court "rejected the argument which petitioner advances here that unless the meaning it contends for is given to the provision with respect to gathering and distribution, that provision will be meaningless."

It is respectfully urged that the language quoted from Mr. Justice Douglass' opinion should not be relied upon as an opinion of this Court in support of the Circuit Court's opinion that producing and gathering company sales are within the jurisdiction of the Federal Power Commission.

The *Colorado Interstate Gas Company case* was one in which the Power Commission had received evidence concerning producing and gathering operations in its hearing to formulate a rate base and rates for Colorado Interstate's activities which were

admittedly within the jurisdiction of the Federal Power Commission. The question was whether or not the receipt and consideration of such evidence by the Power Commission was proper, and this Court was divided on that question 5-4; Mr. Chief Justice Stone, Mr. Justice Roberts, Mr. Justice Reed and Mr. Justice Frankfurter all being of the opinion that the Power Commission should have distinguished between "regulable and non-regulable" activities.

It should at once be apparent therefore that Mr. Justice Jackson's separate concurring opinion assumes particular importance insofar as it differs from the language relied upon by the Circuit Court, from the opinion of Mr. Justice Douglass. In Mr. Justice Jackson's opinion, it is said:

> "It is true that the Act excludes 'production or gathering of natural gas' from jurisdiction of the Commission. *If the Commission had imposed any direct regulation upon that activity, I would join in holding it to have exceeded its jurisdiction. But the orders in question have no immediate 'impact' upon production or gathering of gas.*
>
> "The statute commands the Commission to regulate the price of natural gas transported and sold at wholesale in interstate commerce for resale. The Commission has investigated the fiscal aspects of production and gathering because of their bearing on the reasonableness of interstate rates. *I suppose a commission is free to take evidence as to conditions and events*

quite beyond its regulatory jurisdiction where they are thought to affect the cost of that whose price it is directed to determine. This, as I see it, is all that has been done here." (Emphasis supplied)

It would seem to be clear from Mr. Justice Jackson's opinion that the orders in the suit would have been held bad, if there had been an "immediate impact" upon the business of producing or gathering gas. What more "immediate impact" upon such business could be provided than an order governing the sales price for local producers and gatherers?

It is therefore respectfully submitted that in a case like the present where the Commission's order has an "immediate impact" upon the production or gathering of gas, the applicable rule of law is that stated in the dissenting opinion of Chief Justice Stone, concurred in by three others, in the *Colorado Interstate case*, as follows:

"The Act speaks in terms of activities which are regulated and those which are not. It subjects the interstate transportation and sale of natural gas, an activity, to the jurisdiction of the Commission, which includes the exercise of its rate-making function as prescribed by §§ 4 and 5, and which concededly extends to the valuation of properties used in interstate transportation and sale of natural gas and to the determination of a fair rate of return upon that value.

"Even though production and gathering could be thought to be a part of the regulated transportation and sale, that possibility is precluded by the words of § 1(b) which say: 'The provisions of this Act (including those of §§ 4 and 5 which prescribe rate making for the activity of transporting and selling wholesale) shall not apply' to another activity, 'the production or gathering of natural gas.'

"It does not seem possible to say in plainer or more unmistakable language that the one activity, interstate transportation and sale, is to be subjected to, and that the other, production, or gathering, is to be excluded from, the valuation and rate making powers of the Commission. To interpret the words 'production or gathering' in § 1(b) is the only way which the Court or the Government is able to suggest, as referring to the physical activities of drilling and spacing the gas wells, and thus excluding such activities alone from regulation, seems hardly plausible. It is true that 'production or gathering' are activities which may include the drilling and spacing of gas wells. But the 'transportation or sale' referred to in the phrase of § 1(b) 'but shall not apply to any other transportation or sale of natural gas . . . or to the production or gathering of 'natural gas,' is also an activity. . .

". . .

"No reason, founded upon the language of the statute or its purpose, is advanced for disregarding the plain command of § 1(b) excluding the production or gathering of the gas from

those other activities, the transporting and selling, which are subject to the regulatory provisions of §§ 4 and 5. The language was well chosen to accomplish exactly what the legislative history shows was intended to be accomplished. The report of the House Committee (h. Rep. No. 709, 75th Cong. 1st Sess.), recommending adoption of the bill which became Natural Gas Act, shows beyond doubt that the purpose of the legislation was to bring under Federal regulatory control the interstate transportation and sale of natural gas which had been held not to be subject to state regulation, in *Missouri ex rel. Barrett* v. *Kansas Natural Gas Co.*, 265 U. S. 298, 68 L. ed. 1027, 44 S. Ct. 544; cf. *Public Utilities Commission* v. *Attleboro Steam & Electric Co.*, 273 U. S. 83, 71 L. ed. 549, 47 S. Ct. 294, but to leave undisturbed all other matters which were then subject to state reguation, which included rate-making for production and gathering. See *Illinois Natural Gas Co.* v. *Central Illinois Pub. Serv. Co.*, 314 U. S. 498, 506, 86 L. ed. 371, 376, 62 S. Ct. 384; *Federal Power Commission* v. *Hope Natural Gas Co.*, supra (320 U. S. 609, 88 L. ed. 348, 64 S. Ct. 281). And upon the floor of the Senate the sponsor of the bill declared: 'It does not attempt to regulate the producers of natural gas or the distributors of natural gas, only those who sell it wholesale in interstate commerce.' 81 Cong. Rec. p. 9312. That the exemption of the production of natural gas from regulation was thought by the regulatory authorities themselves to exclude regulation, by the Commission, of the price of gas in the producing field, appears from the hearings upon the predecessor bill, which contained provisions identical with

or substantially equivalent to §§ 5(b), 6(a), 9(a), and 10(a) of the Act as finally passed, and § 1(b) of which declared that the provisions of the bill should not apply 'to the production of natural gas.'

"The exclusion of production and gathering of natural gas from the regulatory authority of the Commission is a command to the Commission not to regulate that which is excluded. *Otherwise powers reserved to the states would be encroached upon contrary to the words and purpose of the Act, and a pretended government would be set up by Commission action, without the authority of Congress.* (Emphasis supplied)

". . .

"But this does not mean that in fixing rates for a regulated business which derives its distributed product from an unregulated business that the property of the latter is not to be segregated from the regulated property, or that there can rightly be applied to it standards of valuation and rate of return which are applicable only to a regulated business. *Interstate Commerce Commission* v. *Goodrich Transit Co.* supra (224 U. S. 211, 56 L. ed. 736, 32 S. Ct. 436); *Smith* v. *Illinois Bell Teleph. Co.* supra (282 U. S. 151, 75 L. ed. 264, 51 S. Ct. 65); *Western Distributing Co.* v. *Public Serv. Commission*, supra (285 U. S. 123, 124, 76 L. ed. 657, 658, 52 S. Ct. 283). Otherwise its exclusion from regulation would be meaningless. The standards to be applied in order to make certain that the

regulated business is not paying too much for the product are those which currently apply in the unregulated business. This, as we have pointed out, was recognized by the Solicitor of the Commission in the hearings on proposed legislation culminating in the present Act. *He said that the unregulated price was controlling upon the Commission 'if the transaction is at arm's length. If the transaction is not at arm's length, of course, its reasonableness may be inquired into, under the decisions of the Supreme Court.'* (Emphasis supplied).

"...

"... Whether the facilities for the production of natural gas should be regulated and, if so, whether the regulation should be left to the states, as we think Congress has left it, are matters for Congress to determine. *If it be thought that petitioner's profits from production of gas are too great because they are unregulated, and if it be thought to be important that they be reduced, it is immensely more important that that be not accomplished by lawless action.*" (Emphasis supplied).

In Petitioner's brief your attention has been invited to the legislative history of the controversial sections of the Natural Gas Act as well as constructions of the Act by the Federal Power Commission in conflict with contentions made by that agency in this case.

CONCLUSION

Under the circumstances, it is submitted that the Congress plainly intended that regulation of the "production or gathering of natural gas," a local matter, be left to the States. The State of Texas earnestly urges that this court so hold.

Respectfully submitted,

PRICE DANIEL
Attorney General of Texas

James D. Smullen
JAMES D. SMULLEN
Assistant Attorney General

Attorneys for the State of Texas and the Railroad Commission of Texas, *Amici Curiae.*

CERTIFICATE OF SERVICE

This is to certify that the brief attached hereto has been served upon all attorneys of record in this cause by mailing a copy of same to each of said attorneys.

Austin, Texas, March 14, 1947.

James D. Smullen
James D. Smullen
Assistant Attorney General

APPENDIX

Pertinent Texas Statutes

"In the event the Commission finds that the owner of any gas well has failed or refused to utilize or sell the allowable production from his well when such owner has been offered a connection or market for such gas at a reasonable price, such well shall be excluded from consideration in allocating the daily allowable production from the reservoir or zone in which same is located until the owner thereof signifies to the Commission his desire to utilize or sell such gas. In all other cases all gas wells shall be taken into account in allocating the allowable production among wells producing the same type of gas." (Section 20, Article 6008, Vernon's Annotated Civil statutes.)

"Power and authority are hereby conferred upon the Railroad Commission of Texas, over all common carrier pipelines conveying oil and gas in Texas, and over all oil and gas wells in Texas, and over all persons, associations or corporations owning or operating pipe lines in Texas, and over all persons, associations and corporations owning or engaged in drilling or operating oil or gas wells in Texas; and all such persons, associations and corporations and their pipe lines, oil and gas wells are subject to the jurisdiction conferred by law upon the Commission, and the Commission is authorized and empowered to make all necessary rules and regulations for the government and regulation of such persons, associations and corporations and their operations, and the Attorney General shall enforce the provisions of

this title by injunction or other adequate remedy and as otherwise provided by law. The word 'Commission,' as used in this title, shall mean the Railroad Commission of Texas. The word 'Commissioner' shall mean any member of the Railroad Commission." (Article 6023, Vernon's Annotated Civil Statutes.)

"The Commission shall establish and promulgate rates of charges and regulations for gathering, transporting, loading and delivering crude petroleum by such common carriers in this State, and for the use of storage facilities necessarily incident to such transportation, and prescribe and enforce rules and regulations for the government and control of such common carriers in respect to their pipe line and receiving, transferring and loading facilities. Such rates shall include both single and joint line transportation, deductions for evaporation and shrinkage, demurrage, storage, and overage, charges, and all other similar items. The basis of such rates shall be such as will provide a fair return upon the aggregate value of the property of any such carrier used and useful in the services performed after providing reasonable allowance for depreciation and other proper factors, and for reasonable operating expenses under honest, efficient and economical management, and provided further that the Commission shall have reasonable latitude in the establishment and adjustment of competive rates.

" . . ." (Section 6a, Article 6049a, Vernon's Annotated Civil Statutes).

"That in order to further conserve the natural gas resources of this State every person, association of persons, joint stock company, limited co-partnership,

partnership, corporation, gas pipe line company or gas purchaser now, or hereafter, claiming or exercising the right to carry or transport natural gas by pipe line or pipe lines, for hire, compensation or otherwise within the limits of this State, or which is now engaged or shall hereafter engage in the business of purchasing, or taking, natural gas, or residue gas or casinghead gas shall be a common purchaser thereof, and shall purchase, or take, such gas under such rules or regulations as may be prescribed by the Commission, in the same manner, under the same limitations against discriminations and subject to the common purchasers of oil." (Section 8a, Article 6049a, Vernon's Annotated Civil Statutes).

"The term 'gas utility' and 'public utility' or 'utility,' as used in this subdivision, means and includes persons, companies and private corporations, their lessees, trustees, and receivers, owning, managing, operating, leasing or controlling within this State any wells, pipe lines, plant, property, equipment, facility, franchise, license, or permit for either one or more of the following kinds of business:

"1. Producing or obtaining, transporting, conveying, distributing or delivering natural gas: (a) for public use or service for compensation; (b) for sale to municipalities or persons or companies, in those cases referred to in paragraph 3 hereof, engaged in distributing or selling natural gas to the public; (c) for sale or delivery of natural gas to any person or firm or corporation operating under franchise or a contract with any municipality or other legal subdivision of this State; or, (d) with any municipality or other legal subdivision of this State; or, (e) for sale or delivery of natural gas to the public for domestic or other use.

"2. Owning or operating or managing a pipe line for the transportation or carriage of natural gas, whether for public hire or not, if any part of the right of way for said line has been acquired, or may hereafter be acquired by the exercise of the right of eminent domain; or if said line or any part thereof is laid upon, over or under any public road or highway of this State, or street or alley of any municipality, or the right of way of any railroad or other public utility; including also any natural gas utility authorized by law to exercise the right of eminent domain.

"3. Producing or purchasing natural gas and transporting or causing the same to be transported by pipe lines to or near the limits of any municipality in which said gas is received and distributed or sold to the public by another public utility or by said municipality, in all cases where such business is in fact the only or practically exclusive agency of supply of natural gas to such utility or municipality, is hereby declared to be virtual monopoly and a business and calling affected with a public interest, and the said business and property employed therein within this State shall be subject to the provisions of this law and to the jurisdiction and regulation of the Commission as a gas utility.

"Every such gas utility is hereby declared to be affected with a public interest and subject to the jurisdiction, control and regulation of the Commission as provided herein." (Article 6050, Vernon's Annotated Civil Statutes.)

"The Commission after due notice shall fix and establish and enforce the adequate and reasonable

price of gas and fair and reasonable rates of charges and regulations for transporting, producing, distributing, buying, selling and delivering gas by such pipe lines in this State; and shall establish fair and equitable rules and regulations for the full control and supervision of said gas pipe lines and all their holdings pertaining to the gas business in all their relations to the public, as the Commission may from time to time deem proper; and establish a fair and equitable division of the proceeds of the sale of gas between the companies transporting or producing the gas and the companies distributing or selling it; and prescribe and enforce rules and regulations for the government and control of such pipe lines in respect to their gas pipe lines and producing, receiving, transporting and distributing facilities; and regulate and apportion the supply of gas between towns, cities, and corporations, and when the supply of gas controlled by any gas pipe line shall be inadequate, the Commission shall prescribe fair and reasonable rules and regulations requiring such gas pipe lines to augment their supply of gas, when in the judgment of the Commission it is practicable to do so; and it shall exercise its power, whether upon its own motion or upon petition by any person, corporation, municipal corporation, county, or commission's precinct showing a substantial interest in the subject, or upon petition of the Attorney General, or of any county or district attorney in any county wherein such business or any part thereof may be carried on." (Article 6053, Vernon's Annotated Civil Statutes).

"If any gas utility or other party at interest be dissatisfied with the decision of any rate, classification, rule, charge, order, act or regulation adopted by the Commission, such dissatisfied utility or party may

file a petition setting forth the particular cause of objection thereto in a court of competent jurisdiction in Travis County against the Commission as defendant. Said action shall have precedence over all other causes on the docket of a different nature and shall be tried and determined as other civil causes in said court. Either party to said action may have the right of appeal; and said appeal shall be at once returnable to the appellate court, and said action so appealed shall have precedence in said appellate court of all causes of a different character therein pending. If the court be in session at the time such right of action accrues, the suit may be filed during such term and stand ready for trial after ten days notice. In all trials under this article the burden of proof shall rest upon the plaintiff, who must show by clear and satisfactory evidence that the rates, regulations, orders, classifications, acts or charges complained of are unreasonable and unjust to it or them." (Article 6059, Vernon's Annotated Civil Statutes).

"Whenever any person, firm or corporation, owning, operating or controlling such gas pipe line shall violate any provision hereof or any rule or regulation of the Commission, the Commission shall, whenever in its judgment the public interests require it, apply to any court of this State having jurisdiction for a receivership of such concern guilty of such violation. Such receiver shall control and manage the property of such gas pipe line under the direction of the court as provided by law in receivership matters. The grounds for appointment of receiver provided for in this article shall be in addition to other grounds provided by law." (Article 6063, Vernon's Annotated Civil Statutes).